

Exhibit 1

**Bath Electric Gas and Water Systems
Gas Department – Rate Filing
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Bath Electric Gas and Water Systems

Gas Department

Historic and Forecast Income Statements with Rate of Return

| Line No. | | Test Year FY 2016 A | Normalizing Adjustments B | | Normalized Test Year C | Known Changes D | Updated Normalized Rate Year E | Increase F | Rate Year After Increase G | % Increase |
|----------|--|---------------------------|---------------------------------|----|------------------------------|-----------------------|---|---------------|----------------------------------|------------|
| 1 | Retail Revenues | \$1,710,738 | \$141,495 | a) | \$1,852,233 | | \$1,852,233 | \$242,460 | \$2,094,693 | 13% |
| 2 | Transportation Revenues | \$405,456 | (\$59,882) | b) | \$345,574 | | \$345,574 | \$62,169 | \$407,743 | 18% |
| 3 | Forfeited Discounts | \$3,940 | | | \$3,940 | | \$3,940 | | \$3,940 | |
| 4 | Miscellaneous Revenues | \$17,896 | | | \$17,896 | | \$17,896 | | \$17,896 | |
| 5 | Total | \$2,138,030 | \$81,613 | | \$2,219,643 | | \$2,219,643 | \$304,629 | \$2,524,272 | 14% |
| 6 | Operating Expenses: | | | | | | | | | |
| 7 | Natural Gas City Gate Purchases | \$1,082,437 | \$107,645 | c) | \$1,190,082 | | \$1,190,082 | | \$1,190,082 | |
| 8 | Transportation Gas Expense | \$201,441 | (\$29,513) | d) | \$171,928 | | \$171,928 | | \$171,928 | |
| 9 | Total Purchases and Transmission of Gas | \$1,283,878 | \$78,132 | | \$1,362,010 | | \$1,362,010 | | \$1,362,010 | |
| 10 | Labor | \$314,384 | \$478 | e) | \$314,862 | \$17,383 | \$332,246 | | \$332,246 | |
| 11 | Non-Labor Expense | | | | | | | | | |
| 12 | Production | \$0 | | | \$0 | \$0 | \$0 | | \$0 | |
| 13 | Transmission | \$0 | | | \$0 | \$0 | \$0 | | \$0 | |
| 16 | Distribution | \$93,990 | | | \$93,990 | \$6,191 i) | \$100,181 | | \$100,181 | |
| 17 | Maintenance | \$20,379 | | | \$20,379 | \$1,342 i) | \$21,722 | | \$21,722 | |
| 18 | Customers' Accounting & Collection | \$21,898 | | | \$21,898 | \$1,442 i) | \$23,341 | | \$23,341 | |
| 19 | Customer Service | \$788 | | | \$788 | \$52 i) | \$840 | | \$840 | |
| 20 | Customer Sales | \$618 | | | \$618 | \$41 i) | \$659 | | \$659 | |
| 21 | Administrative & General | \$43,801 | | | \$43,801 | \$2,885 i) | \$46,686 | | \$46,686 | |
| 22 | Total Non-Labor Expense | \$181,475 | | | \$181,475 | \$11,953 | \$193,429 | | \$193,429 | |
| 23 | Employee Health and Dental Insurance | \$181,946 | | | \$181,946 | \$34,247 j) | \$216,193 | | \$216,193 | |
| 24 | Worker's Comp. & Disability, Property & Casualty | \$35,282 | | | \$35,282 | \$2,324 i) | \$37,606 | | \$37,606 | |
| 25 | Pension | \$58,377 | | | \$58,377 | \$229 | \$58,606 | | \$58,606 | |
| 26 | Payroll Taxes and FICA | \$0 | \$28,250 | f) | \$28,250 | \$1,861 i) | \$30,111 | | \$30,111 | |
| 27 | Other Employee Benefits and OPEB | \$10,198 | | | \$10,198 | \$672 i) | \$10,870 | | \$10,870 | |
| 28 | Outside Services - Engineering, Legal, and Acco | \$51,316 | | | \$51,316 | \$3,380 i) | \$54,696 | | \$54,696 | |
| 29 | Regulatory Commission Expense | \$24,968 | | | \$24,968 | \$0 k) | \$24,968 | | \$24,968 | |
| 30 | Rate Case Expense | \$0 | | | \$0 | \$4,500 l) | \$4,500 | | \$4,500 | |
| 31 | P.I.L.O.T. | \$0 | \$9,886 | g) | \$9,886 | \$13,799 m) | \$23,685 | | \$23,685 | |
| 32 | Uncollectibles | \$2,541 | | | \$2,541 | \$167 i) | \$2,708 | | \$2,708 | |
| 33 | Depreciation | \$94,495 | | | \$94,495 | \$0 | \$94,495 | | \$94,495 | |
| 34 | Total Expenses | \$2,238,860 | \$116,746 | | \$2,355,606 | \$90,516 | \$2,446,122 | | \$2,446,122 | |
| 35 | Net Income | (\$100,831) | | | (\$135,964) | (\$90,516) | (\$226,480) | | \$ 78,150 | |
| 36 | Rate of Return | -5.28% | | | -6.62% | | -10.87% | | 3.75% | |
| 37 | Rate Base | \$1,908,596 | \$ 143,767 | h) | \$2,052,363 | \$ 31,631 | \$2,083,994 | | \$2,083,994 | |

Bath Electric Gas and Water Systems
Gas Department
Explanation of Adjustments

Test Year Normalization

| | | | |
|---|------------|----------|-------------|
| a) Retail Revenues | | | |
| PPAC -- Impact of Test Year PPAC reconciliation | \$ | (6,716) | |
| LAUF Collections | \$ | (21,985) | |
| Weather Normalization - test year warmer than normal | | 161,036 | |
| Growth Analysis | \$ | 9,160 | |
| Total | | | \$ 141,495 |
| b) Transportation revenues | | | \$ (59,882) |
| c) Purchased Gas - Retail | | | |
| PPAC - increased cost to reverse warmer than normal weather | \$ | 104,031 | |
| PPAC - increased cost for new sales | \$ | 3,614 | |
| | | | \$ 107,645 |
| d) Purchased Gas - Transportation | | | \$ (29,513) |
| e) Labor -- To reflect correction to PSC Annual report so as to reconcile to Trial Balance | | | \$ 478 |
| f) Payroll Tax - Reported below the line on PSC Annual Report, should be an above the line charge | | | \$ 28,250 |
| g) PILOT - Reported below the line on PSC Annual Report, should be an above the line charge | | | \$ 9,886 |
| h) Rate Base - to restate depreciation reserve to correct for calculation of depreciation in accounting system software | | | \$ 143,767 |
| i) Labor and Inflation. Mid-test year to mid rate year. Labor is 2.5% per year increase. Assuming the same for inflation | | | |
| Transmission | \$ 93,990 | 1.06587 | \$ 6,191 |
| Distribution | \$ 20,379 | 1.06587 | \$ 1,342 |
| Street Lighting | \$ 21,898 | 1.06587 | \$ 1,442 |
| Customer Service | \$ 788 | 1.06587 | \$ 52 |
| A&G | \$ 618 | 1.06587 | \$ 41 |
| Employee Health and Dental Insurance | \$ 181,946 | 1.06587 | \$ 11,984 |
| Worker's Comp. & Disability, Property & Casualty | \$ 35,282 | 1.06587 | \$ 2,324 |
| Payroll Taxes and FICA | \$ 28,250 | 1.06587 | \$ 1,861 |
| Other Employee Benefits and OPEB | \$ 10,198 | 1.06587 | \$ 672 |
| Outside Services - Engineering, Legal, and Accounting | \$ 51,316 | 1.06587 | \$ 3,380 |
| P.I.L.O.T. | \$ 9,886 | 1.06587 | \$ 651 |
| Uncollectibles | \$ 2,541 | 1.06587 | \$ 167 |
| j) Increase Health Benefit | \$ 181,946 | 1.18823 | \$ 34,247 |
| k) Pension - To reflect latest invoice from Comptrollers Office | | | |
| FY 2016 | \$ 58,377 | | |
| FY 2017 | \$ 58,606 | | \$ 229 |
| l) Rate Case Expense - to reflect 3 year amortization of contract amount | | | \$ 4,500 |
| m) Update PILOT per PSC methodology and latest net plant data (See work paper "PILOT actual 7-10-17-withadjustingentry.xlsx") | | | \$ 13,799 |
| n) Updated rate base calculation based on rate year working capital allowance (see Exhibit 8) | | | \$ 30,171 |

Bath Electric Gas and Water Systems
Gas Department
Historic Balance Sheets
As of May 31,

| | FY 2014 | FY 2015 | FY 2016 |
|--|--------------|--------------|--------------|
| ASSETS | | | |
| Cash & Cash Equivalents | \$ 975 | \$ 976 | \$ 978 |
| Working Funds | \$ 50 | \$ 50 | \$ 50 |
| Depreciation Funds | \$ - | \$ - | \$ - |
| Miscellaneous Investments (Temporary) | \$ 48,317 | \$ 54,967 | \$ (294,710) |
| Misc Special Funds | \$ 362 | \$ 362 | \$ 362 |
| Receivable-Municipality | \$ - | \$ - | \$ - |
| Accounts Receivable | \$ 175,590 | \$ 50,530 | \$ 62,129 |
| Materials & Supplies | \$ - | \$ - | \$ - |
| (Less) Accum. Prov. for Uncollectible Acct.-Credit | \$ (4,856) | \$ 1,163 | \$ 3,091 |
| Accounts Receivable from Assoc. Companies | \$ 3,083 | \$ 1,278 | \$ 1,574 |
| Fuel Stock (151) | \$ 77,007 | \$ 89,546 | \$ 114,062 |
| Miscellaneous Deferred Debits | \$ (3,605) | \$ (15,379) | \$ 11,601 |
| Prepaid Expenses | \$ (15,893) | \$ 6,507 | \$ 7,872 |
| Property, Plant & Equipment | \$ 3,126,421 | \$ 3,258,658 | \$ 3,467,249 |
| Construction WIP | \$ 7,674 | \$ 3,935 | \$ 34,727 |
| TOTAL Utility Plant | \$ 3,134,095 | \$ 3,262,593 | \$ 3,501,976 |
| (Less) Accum. Prov. for Depr. | \$ 1,667,416 | \$ 1,751,056 | \$ 1,815,485 |
| Net Utility Plant | \$ 1,466,679 | \$ 1,511,537 | \$ 1,686,491 |
| Total Assets | \$ 1,747,709 | \$ 1,701,537 | \$ 1,593,500 |
| LIABILITIES AND RETAINED EARNINGS | | | |
| Payable to Operating Municipality | | | |
| Account Payable | \$ 162,243 | \$ 112,594 | \$ 144,794 |
| Customer Deposits | | | |
| Accrued Taxes | \$ 5,611 | \$ 3,046 | \$ 2,829 |
| Interest Accrued | | | |
| Misc Current Liabilities | \$ 96,619 | \$ 79,003 | \$ 75,570 |
| Depreciation Reserves | | | |
| Amortization Reserve | | | |
| Misc Reserve | \$ 33,333 | \$ 33,333 | \$ 33,333 |
| Reserve for Uncollectible | | | |
| Notes Payable | \$ 397,000 | \$ 399,000 | \$ 399,000 |
| Other Deferred Credits (253) | \$ 1,256 | \$ 1,256 | \$ 1,256 |
| Accounts Payable to Associated Companies | \$ 1,774 | \$ 1,745 | \$ 1,450 |
| Contributions for Extensions | | | |
| Debt | \$ 16,869 | \$ 17,686 | \$ 17,280 |
| Total Liabilities | \$ 714,705 | \$ 647,663 | \$ 675,512 |
| Retained Earnings: | | | |
| Contributions - Operating Municipality | \$ (46,393) | \$ (46,393) | \$ (46,765) |
| Total Surplus | \$ 1,079,397 | \$ 1,100,267 | \$ 964,753 |
| Total Retained Earnings | \$ 1,033,004 | \$ 1,053,874 | \$ 917,988 |
| Total Liabilities and Retained Earnings | \$ 1,747,709 | \$ 1,701,537 | \$ 1,593,500 |

Bath Electric Gas and Water Systems
Gas Department
Historic Income Statements
For the Years Ended May 31,

| | 2013 | 2014 | 2015 | 2016 |
|--|---------------------|---------------------|---------------------|---------------------|
| Operating revenues | | | | |
| Retail Revenues | \$2,531,492 | \$2,925,473 | \$2,304,577 | \$1,710,738 |
| Transportation Revenues | \$ 399,305 | \$ 435,780 | \$ 433,953 | \$ 405,456 |
| Forfeited Discounts | \$ 5,169 | \$ 7,316 | \$ 6,862 | \$ 3,940 |
| Miscellaneous Revenues | \$ - | \$ - | \$ - | \$ 17,851 |
| Total | \$ 2,935,966 | \$ 3,368,569 | \$ 2,745,392 | \$ 2,137,985 |
| Operating Expenses | | | | |
| Natural Gas City Gate Purchases | \$ 1,783,941 | \$ 2,077,823 | \$ 1,644,473 | \$ 1,082,437 |
| Transportation Gas Expense | \$ 198,431 | \$ 209,464 | \$ 202,995 | \$ 201,441 |
| Total Purchases and Transmission of Gas | \$ 1,982,372 | \$ 2,287,287 | \$ 1,847,468 | \$ 1,283,878 |
| Labor | \$ 247,962 | \$ 289,069 | \$ 329,348 | |
| Production | | | | \$ - |
| Transmission | | | | \$ - |
| Distribution | | | | \$ 206,690 |
| Maintenance | | | | \$ 478 |
| Customers' Accounting & Collection | | | | \$ 52,355 |
| Customer Service | | | | \$ - |
| Customer Sales | | | | \$ - |
| Administrative & General | | | | \$ 54,862 |
| Total Labor | | | | \$ 314,384 |
| All Other Non-Labor Expense | | | | |
| Production | \$ - | \$ - | \$ - | \$ - |
| Transmission | \$ - | \$ - | \$ - | \$ - |
| Distribution | \$ 126,186 | \$ 77,514 | \$ 85,167 | \$ 93,990 |
| Maintenance | \$ 3,087 | \$ 19,419 | \$ 22,499 | \$ 20,379 |
| Customers' Accounting & Collection | \$ 54,489 | \$ 25,788 | \$ 24,415 | \$ 21,898 |
| Customer Service | | | | \$ 788 |
| Customer Sales | \$ (9) | \$ (805) | \$ (2,162) | \$ 618 |
| Administrative & General | \$ 77,167 | \$ 45,524 | \$ 59,358 | \$ 43,801 |
| Total Non-Labor Expense | \$ 260,920 | \$ 167,440 | \$ 189,277 | \$ 181,475 |
| Employee Health and Dental Insurance | \$ 208,830 | \$ 181,799 | \$ 141,191 | \$ 181,946 |
| Worker's Comp. & Disability, Property & Casualty | \$ 31,670 | \$ 38,153 | \$ 34,444 | \$ 35,282 |
| Pension | \$ 58,483 | \$ 60,976 | \$ 60,063 | \$ 58,377 |
| Payroll Taxes and FICA | \$ 28,270 | \$ 25,013 | \$ 29,076 | \$ - |
| Other Employee Benefits and OPEB | \$ 28,865 | \$ (1,079) | \$ (11,240) | \$ 10,198 |
| Outside Services - Engineering, Legal, and Accounting | \$ 57,382 | \$ 14,940 | \$ 20,038 | \$ 51,316 |
| Regulatory Commission Expense | \$ 16,542 | \$ 54,699 | \$ 14,326 | \$ 24,968 |
| Rate Case Expense | \$ - | \$ - | \$ - | \$ - |
| P.I.L.O.T. | \$ 8,268 | \$ 8,433 | \$ 8,370 | \$ - |
| Uncollectibles | \$ 9,854 | \$ 6,608 | \$ 4,284 | \$ 2,541 |
| Depreciation | \$ 82,524 | \$ 86,661 | \$ 90,286 | \$ 94,495 |
| Increased Expensed due to Order in 11-G-0565 | \$ - | \$ - | \$ - | \$ - |
| Net of After Audit Entries Completed after Annual Report | \$ (150) | \$ - | \$ - | \$ - |
| Total Operating and Maintenance Expenses | \$ 3,021,792 | \$ 3,219,999 | \$ 2,756,931 | \$ 2,238,860 |
| Net Operating Income | \$ (85,826) | \$ 148,570 | \$ (11,539) | \$ (100,875) |

Bath Electric Gas and Water Systems
Gas Department
Revenues by Rate Class and MCF Sales
Fiscal Years Ending May 31,

Operating Revenues

| S.C. No. | Customer Type | FY 2014 | FY 2015 | FY 2016 |
|---------------|----------------|-------------|-------------|-------------|
| SC1 | Residential | \$1,667,311 | \$1,303,330 | \$985,073 |
| SC1 | Commercial | \$1,207,168 | \$971,923 | \$696,225 |
| SC 3, 4 and 5 | Transportation | \$435,779 | \$433,953 | \$405,456 |
| | Total | \$3,310,258 | \$2,709,206 | \$2,086,754 |

MCF Sales

| S.C. No. | Customer Type | | | |
|---------------|-------------------|---------|---------|---------|
| SC1 | Residential Sales | 166,959 | 163,906 | 137,376 |
| SC1 | Commercial | 129,544 | 132,581 | 107,969 |
| SC 3, 4 and 5 | Transportation | 310,100 | 300,600 | 263,569 |
| | Total | 606,603 | 597,087 | 508,914 |

of Customers

| S.C. No. | Customer Type | FY 2014 | FY 2015 | FY 2016 |
|---------------|----------------|---------|---------|---------|
| SC1 | Residential | 1,911 | 1,922 | 1,940 |
| SC1 | Commercial | 267 | 263 | 266 |
| SC 3, 4 and 5 | Transportation | 5 | 5 | 5 |
| | Total | 2,183 | 2,190 | 2,211 |

Per Unit Charges

| S.C. No. | Customer Type | FY 2014 | FY 2015 | FY 2016 |
|---------------|----------------|---------|---------|---------|
| SC1 | Residential | 9.99 | 7.95 | 7.17 |
| SC1 | Commercial | 9.32 | 7.33 | 6.45 |
| SC 3, 4 and 5 | Transportation | 1.41 | 1.44 | 1.54 |
| | Total | 5.46 | 4.54 | 4.10 |

Source Data: pages 68 and 70 of FERC Form 2

Bath Electric Gas and Water Systems
Gas Department
Capital Structure and Rate of Return

| | <u>ProForma Amount</u> | <u>%</u> | <u>Cost Rate</u> | <u>Rate of Return</u> |
|-------------------|----------------------------|---------------|----------------------|---------------------------|
| Long-term debt | 0 | 0.0% | 3.00% | 0.00% |
| Customer deposits | 0 | 0.0% | 0.00% | 0.00% |
| Net surplus | <u>917,988</u> | <u>100.0%</u> | 3.75% | <u>3.75%</u> |
| Total | <u><u>917,988</u></u> | 100.0% | | <u><u>3.75%</u></u> |

Exhibit 8

Bath Electric Gas and Water Systems
Gas Department
Rate Base

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>Rate Year</u> |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Gross Plant | | | | |
| Operating Property | \$3,126,421 | \$3,258,658 | \$3,467,249 | \$3,501,976 |
| Construction Work in Progress | 7,674 | 3,935 | 34,727 | \$0 |
| Total Gross Plant | <u>3,134,095</u> | <u>3,262,593</u> | <u>3,501,976</u> | <u>3,501,976</u> |
| Depreciation Reserve | 1,667,416 | 1,751,056 | 1,815,485 | 1,671,718 |
| Amortization Reserves | 0 | 0 | 0 | 0 |
| Contributions for Extensions | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Net Plant | 1,466,679 | 1,511,537 | 1,686,491 | 1,830,258 |
| Materials & Supplies | 0 | 0 | 0 | \$0 |
| Prepayments | (15,893) | 6,507 | 7,872 | \$7,872 |
| Rate Case Expense | 0 | 0 | 0 | \$9,000 |
| Working Capital | | | | |
| Total Operating Expenses | 3,219,999 | 2,756,931 | 2,238,860 | \$2,446,122 |
| Purchased Gas | 2,287,287 | 1,847,468 | 1,283,878 | \$1,362,010 |
| Depreciation | 86,661 | 90,286 | 94,495 | \$94,495 |
| PILOT/Other Taxes | 8,433 | 8,370 | 9,886 | \$23,685 |
| Uncollectibles | <u>6,608</u> | <u>4,284</u> | <u>2,541</u> | <u>2,708</u> |
| Net Expenses | 831,010 | 814,893 | 857,946 | 986,909 |
| Working Capital Required @ 1/8 | 103,876 | 101,862 | 107,243 | 123,364 |
| Working Capital Required @ 1/12 | <u>190,607</u> | <u>153,956</u> | <u>106,990</u> | <u>113,501</u> |
| Year End Total Rate Base | <u><u>\$1,745,270</u></u> | <u><u>\$1,773,861</u></u> | <u><u>\$1,908,596</u></u> | <u><u>\$2,083,994</u></u> |

Bath Electric Gas and Water Systems
Gas Department
Lost and Unaccounted For

| | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---------------|-------------|-------------|-------------|
| MCF Delivered | 612,002 | 602,878 | 513,494 |
| MCF Purchased | 610,608 | 604,828 | 525,997 |
| LAUF | 0.9977 | 1.0032 | 1.0243 |
| Average | | | 1.0076 |

Bath Electric Gas and Water Systems
Gas Department
Comparison of Present and Proposed Rates

| | <u>Present Rate</u> | <u>Proposed Rate</u> | <u>Increase \$</u> | <u>Increase %</u> |
|--|-------------------------|--------------------------|------------------------|-----------------------|
| <u>Service Classification No. 1 - All Purpose</u> | | | | |
| Minimum Service Charge - per month | \$ 6.47 | \$ 8.84 | \$ 2.37 | 37% |
| Volumetric Charge (per CCF) | | | | |
| All CCF | \$ 0.1840 | \$ 0.251 | \$ 0.07 | 37% |
| <u>Service Classification No. 2 - Large Volume (Special Contract)</u> | | | | |
| All MCF, per MCF | \$ 0.7630 | \$ 1.036 | \$ 0.27 | 36% |
| <u>Service Classification No. 3- Small Volume Transportation</u> | | | | |
| Minimum Service Charge - per month | \$ 215.36 | \$ 292.46 | \$ 77.10 | 36% |
| All MCF, per MCF | \$ 1.5220 | \$ 2.067 | \$ 0.54 | 36% |
| <u>Service Classification No. 4 - Large Volume Transportation</u> | | | | |
| All MCF, per MCF | \$ 1.0010 | \$ 1.359 | \$ 0.36 | 36% |

**Bath Electric Gas and Water Systems
Gas Department
Comparison of Monthly Bills
Present vs Proposed Rates**

Service Classification No. 1 - All Purpose

| CCF Used | Present | | | | Proposed | | | | \$ Increase | % Increase |
|-------------|-------------------|----------------------|-----------|-----------|--------------------|------------------|-----------|-----------|----------------|---------------|
| | Minimum Charge | Volumetric Charge | *GAC | Total | Customer Charge | Energy Charge | *GAC | Total | | |
| 0 | \$ 6.47 | \$ - | \$ - | \$ 6.47 | \$ 8.84 | \$ - | \$ - | \$ 8.84 | \$ 2.37 | 36.6% |
| 3 | \$ 6.47 | \$ - | \$ 1.29 | \$ 7.76 | \$ 8.84 | \$ - | \$ 1.29 | \$ 10.13 | \$ 2.37 | 30.5% |
| 5 | \$ 6.47 | \$ 0.37 | \$ 2.16 | \$ 8.99 | \$ 8.84 | \$ 0.50 | \$ 2.16 | \$ 11.50 | \$ 2.50 | 27.8% |
| 10 | \$ 6.47 | \$ 1.29 | \$ 4.31 | \$ 12.07 | \$ 8.84 | \$ 1.76 | \$ 4.31 | \$ 14.91 | \$ 2.84 | 23.5% |
| 15 | \$ 6.47 | \$ 2.21 | \$ 6.47 | \$ 15.15 | \$ 8.84 | \$ 3.02 | \$ 6.47 | \$ 18.33 | \$ 3.18 | 21.0% |
| 20 | \$ 6.47 | \$ 3.13 | \$ 8.63 | \$ 18.22 | \$ 8.84 | \$ 4.27 | \$ 8.63 | \$ 21.74 | \$ 3.51 | 19.3% |
| 25 | \$ 6.47 | \$ 4.05 | \$ 10.78 | \$ 21.30 | \$ 8.84 | \$ 5.53 | \$ 10.78 | \$ 25.15 | \$ 3.85 | 18.1% |
| 30 | \$ 6.47 | \$ 4.97 | \$ 12.94 | \$ 24.38 | \$ 8.84 | \$ 6.79 | \$ 12.94 | \$ 28.57 | \$ 4.19 | 17.2% |
| 35 | \$ 6.47 | \$ 5.89 | \$ 15.10 | \$ 27.45 | \$ 8.84 | \$ 8.04 | \$ 15.10 | \$ 31.98 | \$ 4.53 | 16.5% |
| 40 | \$ 6.47 | \$ 6.81 | \$ 17.25 | \$ 30.53 | \$ 8.84 | \$ 9.30 | \$ 17.25 | \$ 35.39 | \$ 4.86 | 15.9% |
| 50 | \$ 6.47 | \$ 8.65 | \$ 21.57 | \$ 36.68 | \$ 8.84 | \$ 11.81 | \$ 21.57 | \$ 42.22 | \$ 5.54 | 15.1% |
| 75 | \$ 6.47 | \$ 13.25 | \$ 32.35 | \$ 52.07 | \$ 8.84 | \$ 18.10 | \$ 32.35 | \$ 59.29 | \$ 7.22 | 13.9% |
| 100 | \$ 6.47 | \$ 17.85 | \$ 43.13 | \$ 67.45 | \$ 8.84 | \$ 24.38 | \$ 43.13 | \$ 76.35 | \$ 8.90 | 13.2% |
| 125 | \$ 6.47 | \$ 22.45 | \$ 53.91 | \$ 82.83 | \$ 8.84 | \$ 30.67 | \$ 53.91 | \$ 93.42 | \$ 10.59 | 12.8% |
| 150 | \$ 6.47 | \$ 27.05 | \$ 64.70 | \$ 98.21 | \$ 8.84 | \$ 36.95 | \$ 64.70 | \$ 110.49 | \$ 12.27 | 12.5% |
| 200 | \$ 6.47 | \$ 36.25 | \$ 86.26 | \$ 128.98 | \$ 8.84 | \$ 49.52 | \$ 86.26 | \$ 144.62 | \$ 15.64 | 12.1% |
| 250 | \$ 6.47 | \$ 45.45 | \$ 107.83 | \$ 159.74 | \$ 8.84 | \$ 62.09 | \$ 107.83 | \$ 178.75 | \$ 19.01 | 11.9% |
| 300 | \$ 6.47 | \$ 54.65 | \$ 129.39 | \$ 190.51 | \$ 8.84 | \$ 74.66 | \$ 129.39 | \$ 212.89 | \$ 22.38 | 11.7% |
| 350 | \$ 6.47 | \$ 63.85 | \$ 150.96 | \$ 221.27 | \$ 8.84 | \$ 87.23 | \$ 150.96 | \$ 247.02 | \$ 25.75 | 11.6% |
| 400 | \$ 6.47 | \$ 73.05 | \$ 172.52 | \$ 252.04 | \$ 8.84 | \$ 99.80 | \$ 172.52 | \$ 281.16 | \$ 29.12 | 11.6% |

*GAC: 0.4313 FY '16

0.4313

**Bath Electric Gas and Water Systems
Gas Department
Calculation of Escalation Factors from Test Year to Rate Year**

| Year | Month | # of Months | | Annual Escalation Rate | Monthly Escalation Rate | TY to RY Escalation Factor |
|------|-------|-------------|---------------------|------------------------------|-------------------------------|----------------------------------|
| 2015 | 5 | | | | | |
| | 6 | | | | | |
| | 7 | | | | | |
| | 8 | | | | | |
| | 9 | | Property Tax | 2.00% | 1.00165 | 1.05249 |
| | 10 | 1 | | | | |
| | 11 | 2 | Labor and Inflation | 2.50% | 1.00206 | 1.06587 |
| | 12 | 3 | | | | |
| | 1 | 4 | Health Insurance | 8.1% | 1.00558 | 1.18823 |
| | 2 | 5 | | | | |
| | 3 | 6 | | | | |
| | 4 | 7 | | | | |
| 2016 | 5 | 8 | | | | |
| | 6 | 9 | | | | |
| | 7 | 10 | | | | |
| | 8 | 11 | | | | |
| | 9 | 12 | | | | |
| | 10 | 13 | | | | |
| | 11 | 14 | | | | |
| | 12 | 15 | | | | |
| | 1 | 16 | | | | |
| | 2 | 17 | | | | |
| | 3 | 18 | | | | |
| | 4 | 19 | | | | |
| 2017 | 5 | 20 | | | | |
| | 6 | 21 | | | | |
| | 7 | 22 | | | | |
| | 8 | 23 | | | | |
| | 9 | 24 | | | | |
| | 10 | 25 | | | | |
| | 11 | 26 | | | | |
| | 12 | 27 | | | | |
| | 1 | 28 | | | | |
| | 2 | 29 | | | | |
| | 3 | 30 | | | | |
| | 4 | 31 | | | | |
| 2018 | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

**Bath Electric Gas and Water Systems
Gas Department
Comparison of Customer Cost Per Bill and Minimum Charge**

| <u>Line No.</u> | Cost Item | Cost (\$) | Customer Related Cost (\$) | Source |
|-----------------|---|--------------|-------------------------------|---|
| 1 | Customer Accounting | | \$ 74,253 | Accounts 901-906 |
| 2 | Benefits & Pension | \$ 250,521 | | Account 926 |
| 3 | Total Labor | \$ 428,192 | | Company Work papers see "Labor Worksheet.xlsx" |
| 4 | Benefit % | 59% | | Line 2/ line 3 |
| 5 | Cust. Acct. Labor | \$ 52,355 | | Company Work papers see "Labor Worksheet.xlsx" |
| 6 | Cust Acct Benefits | | \$ 30,631 | Line 4 x line 5 |
| 7 | A&G Labor | \$ 54,862 | | Company Work papers see "Labor Worksheet.xlsx" |
| 8 | Total Labor | \$ 428,192 | | Company Work papers see "Labor Worksheet.xlsx" |
| 9 | Non A&G Labor | \$ 373,330 | | Line 8 - line 7 |
| 10 | Cust Acct as % of Non A&G Labor | 14% | | Line 5 / line 9 |
| 11 | Allocated A&G Labor to Cust Acct | | \$ 7,694 | Line 10 x line 7 |
| 12 | All Other A&G | | | |
| 13 | Total A&G | \$ 456,149 | | Accounts 920-933 |
| 14 | Less Benefits | \$ 250,521 | | Line 2 |
| 15 | Less A&G Labor | \$ 54,862 | | Line 7 |
| 16 | Less Depr on general plant | \$ - | | Not applicable |
| 17 | Net A&G | \$ 150,766 | | Line 13 - lines 14-16 |
| 18 | Allocated to Cust Acct | | \$ 21,143 | Line 10 x line 17 |
| 19 | Total Expenses | | \$ 133,721 | Sum of Lines 1, 6, 11, 18 |
| 20 | Rate Base | | | |
| 21 | Services | \$ 94,763 | | Account 380 |
| 22 | Meters | \$ 819,719 | | Accounts 381-384 |
| 23 | Total Net Plant | \$ 914,482 | | Line 20 + line 21 |
| 24 | Working Capital | \$ 16,715 | | 1/8 x line 19 |
| 25 | Total Rate Base | \$ 931,198 | | Line 22 + line 23 |
| 25 | Weight Cost of Capital | 3.75% | \$ 34,920 | Exhibit 8 |
| 26 | Depreciation expense related to Customer portion of rate base | | \$ 26,077 | Deprecation rates 2.2% for account 380 and 2.95% for accounts 381-384 |
| 27 | Total Customer Cost | | \$ 194,718 | Line 19 + line 25 + line 26 |
| 28 | # of Bills per year | | 26,532 | Exhibit 6 |
| 29 | Customer Cost Per Bill | | \$ 7.34 | Line 27 / line 28 |
| | Rate Year Non-Gas Costs less Customer Costs | \$ 967,545 | | |
| | Weather Normalized retail sales plus test year transportation sales (CCF) | 2,984,409 | | |
| | Average Cost per CCF | 0.3242 | | |
| | Minimum Charge @ 300 cubic feet | | \$ 0.97 | |
| | Minimum Bill | | \$ 8.31 | |